

The Department of Transportation, as lessor, leases space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rental revenues follow (amounts expressed in thousands).

Years ending June 30	Noncancellable Operating Leases Minimum Future Rentals
1997.....	\$ 37,802
1998.....	25,326
1999.....	22,692
2000.....	20,936
2001.....	19,489
2002 and thereafter.....	109,796
	<u>\$236,041</u>

Total minimum future rental revenues do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums. Rental revenue was approximately \$73,215,000 for the year ended June 30, 1996, including contingent rentals of approximately \$7,904,000.

As of June 30, 1996, the Maryland State Lottery Agency had commitments of approximately \$29,917,000 for services to be rendered relating principally to the operation of the lottery game.

As of June 30, 1996, the higher education fund, a component unit, had commitments of approximately \$160,136,000 for the completion of projects under construction.

As of June 30, 1996, the Maryland Stadium Authority a proprietary type component unit, had commitments of approximately \$45,148,000 for the completion of construction of property to be leased under a capital lease.

18. Contingencies:

The State is party to legal proceedings, which normally occur in governmental operations. The legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the State as a whole.

On February 16, 1996, a MARC commuter train was involved in an accident with another train on a portion of the Brunswick line. The accident caused several deaths and numerous injuries of passengers. The Mass Transit Administration retains the first \$10,000,000 of loss. Commercial insurance applies to covered losses in excess of that amount to a limit of \$200,000,000. There have been numerous claims and several lawsuits filed. In connection with the accident, the Administration has recorded an accounts payable for \$10,000,000 in the special revenue fund as of June 30, 1996.

As of June 30, 1996, mortgage loan insurance programs included in the enterprise funds and component unit proprietary funds were contingently liable as an insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately \$1,516,567,000 (including \$666,819,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately \$57,790,000.

The State receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which received the grant. As of June 30, 1996, the State estimates that no material liabilities will result from such audits.

19. Landfill Closure and Postclosure Care Costs:

State and Federal laws require the Maryland Environmental Service (the Service) to place a final cover on the Midshore Regional Landfill (Midshore), which is expected to close in 2009, and the Easton Landfill (Easton), which is filled to capacity and in the process of being closed, and to perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. Although closure and postclosure care costs at Midshore will be paid near or after the date the landfill stops accepting waste, the Service accrues a portion of these closure and postclosure care costs as a liability based on the estimated capacity of the landfill that has been used to date, which was 30% as of June 30, 1996. The Service recognized a liability for Easton equal to the estimated total current cost of closure and postclosure care that has not been paid. A \$3,281,000 liability is included in accounts payable